

CHAPTER 10-16-04 POWERBALL® GAME

Section

| | |
|-------------|--|
| 10-16-04-01 | Game Description |
| 10-16-04-02 | Expected Prize Pool Percentages and Odds |
| 10-16-04-03 | Probability of Winning [Repealed] |
| 10-16-04-04 | Prize Pool and Payment |
| 10-16-04-05 | Prize Payment [Repealed] |
| 10-16-04-06 | POWERBALL® Power Play Promotion |

10-16-04-01. Game description. To play POWERBALL®, a player selects five different white numbers, between one and fifty-five, and one additional red number (powerball) between one and forty-two. The additional number may be the same as one of the first five numbers selected. The price of a play is one dollar. A grand prize is paid, at the election of a winning player or by a default election made according to these rules, either on an annuitized parimutuel basis or as a cash lump sum payment of the total cash held for the prize pool on a parimutuel basis. A set prize (cash prize of two hundred thousand dollars or less) is paid on a single-payment cash basis. Draws are held every Wednesday and Saturday.

History: Effective February 1, 2004; amended effective November 8, 2005.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-04-02. Expected prize pool percentages and odds. The minimum grand prize is fifteen million dollars and is paid on a parimutuel basis. Except as provided by rule, a set prize must be paid according to these matches per play and prize amounts with these expected prize payout percentages:

| Matches Per Play | Prize | Prize Pool Percentage Allocated to Prize | Odds** |
|------------------|-------------|--|---------------|
| 5 white + 1 red | Grand prize | 60.58%* | 1:146,107,962 |
| 5 white + 0 red | \$200,000 | 11.22% | 1:3,563,609 |
| 4 white + 1 red | \$10,000 | 3.42% | 1:584,432 |
| 4 white + 0 red | \$100 | 1.40% | 1:14,254 |
| 3 white + 1 red | \$100 | 1.68% | 1:11,927 |
| 3 white + 0 red | \$7 | 4.81% | 1:291 |
| 2 white + 1 red | \$7 | 1.88% | 1:745 |
| 1 white + 1 red | \$4 | 6.31% | 1:127 |
| 0 white + 1 red | \$3 | 8.70% | 1:69 |

Overall odds of winning a prize on a one dollar play are 1:36.6.

*When the grand prize reaches a new high level, the prize pool percentage allocated to the grand prize must be reduced to the percentage needed to fund the maximum grand prize increase as determined by the product group, with the remainder funding the match 5 bonus prize category.

**Reflects the odds of winning and probable distribution of winning tickets in and among each prize tier, based on the total number of possible combinations.

History: Effective February 1, 2004; amended effective November 8, 2005.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-04-03. Probability of winning. Repealed effective April 1, 2006.

10-16-04-04. Prize pool and payment.

1. The prize pool for all prize categories must consist of fifty percent of each draw period's sales after the prize reserve account is funded.
2. The prize money allocated to the grand prize pool must be divided equally by the number of plays that win the grand prize. If the grand prize is not won in a draw, subject to any restrictions by the product group, the prize money allocated for the grand prize must roll over and be added to the grand prize pool for the next draw. If a new high grand prize is not won in a draw, the prize money allocated for the match 5 bonus prizes must roll over and be added to the match 5 bonus prize pool for the next draw.
3. When the grand prize reaches a new high annuitized amount, the maximum amount to be allocated to the grand prize pool is an additional twenty-five million dollars (annuitized) or an amount set by the product group. Any amount of the grand prize percentage that exceeds the twenty-five million dollar (annuitized) increase must be added to the match 5 bonus prize pool. The match 5 bonus prize pool is created, and must accumulate until the grand prize is won, at which time the match 5 bonus prize pool must be divided equally by the number of plays that win the match 5 prize. If there is no match 5 winning play on the draw when the new high grand prize is won, the match 5 bonus prize pool must be divided equally by the number of plays that win the match 4+1 prize.
4. If there are multiple grand prize winning plays during a draw, each player selecting the annuitized option prize, then a winning play's share of the guaranteed annuitized grand prize must be determined by dividing the guaranteed annuitized grand prize by the number of winning plays.
5. The prize money allocated to the match 5 bonus prize must be divided equally by the number of plays that win the match 5 prize when a play wins the new high grand prize amount.

6. A grand prize must be paid, at the election of the winning player made within sixty days after the player becomes entitled to the prize, with either a per winning player annuity or cash payment. If the payment election is not made by the player within sixty days after the player becomes entitled to the prize, then the prize must be paid as an annuity prize. An election for an annuity payment made by a player may be changed to a cash payment at the election of the player until the expiration of sixty days after the player becomes entitled to the prize. Otherwise, the payment election is final. Shares of the grand prize must be determined by dividing the cash available in the grand prize pool equally among all winning plays of the grand prize. A player who elects a cash payment must be paid the share in a single cash payment. A player who elects an annuitized prize must be paid annually in thirty graduated payments with the initial payment being made in cash, followed by twenty-nine payments (increasing each year) by a rate determined by the product group funded by the annuity. Annual payments after the initial payment must be made by the lottery on the anniversary date or if this date falls on a nonbusiness day, then the first business day following the anniversary date of the draw of the grand prize winning numbers.
7. The lottery may not pay a grand or set cash prize until after it receives authorization from the MUSL. The lottery may pay the prize before it receives the funds from the MUSL.
8. The prize pool percentage allocated to set prizes must be carried forward to a subsequent draw if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

History: Effective February 1, 2004; amended effective November 8, 2005.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-04-05. Prize payment. Repealed effective April 1, 2006.

10-16-04-06. POWERBALL® power play promotion.

1. The POWERBALL® power play promotion is a limited extension of the POWERBALL® game and is conducted according to the product group's game rules and other applicable rules. The promotion offers to the owner of a qualifying play a chance to multiply the amount of a set prize. A match 5 bonus prize is awarded independent of the power play option and is not multiplied by the power play multiplier.
2. A qualifying play is a single POWERBALL® play for which the player pays an extra one dollar for the power play option play.

3. A qualifying play which wins one of the eight lump sum set prizes will be multiplied by the number selected, two through five, in a separate random power play drawing.
4. A single number from a series of sixteen numbers is selected. The numbers are "2", "2", "2", "2", "3", "3", "3", "3", "4", "4", "4", "4", "5", "5", "5", and "5". The product group may change one or more of the multiplier numbers for a special promotion.
5. Except as provided by rule, a prize awarded must be paid as a lump sum set prize. Instead of the set prize amount, a qualifying power play play will pay the amounts shown below when matched with the power play number drawn:

POWERBALL® Pays Instead

| Matches per Play | Prize Amount | 5X | 4X | 3X | 2X |
|------------------|--------------|-------------|-----------|-----------|-----------|
| 5 white + 0 red | \$200,000 | \$1,000,000 | \$800,000 | \$600,000 | \$400,000 |
| 4 white + 1 red | \$10,000 | \$50,000 | \$40,000 | \$30,000 | \$20,000 |
| 4 white + 0 red | \$100 | \$500 | \$400 | \$300 | \$200 |
| 3 white + 1 red | \$100 | \$500 | \$400 | \$300 | \$200 |
| 3 white + 0 red | \$7 | \$35 | \$28 | \$21 | \$14 |
| 2 white + 1 red | \$7 | \$35 | \$28 | \$21 | \$14 |
| 1 white + 1 red | \$4 | \$20 | \$16 | \$12 | \$8 |
| 0 white + 1 red | \$3 | \$15 | \$12 | \$9 | \$6 |

Rarely, a set prize amount may be less than the amount shown. In that case, a power play prize will be a multiple of the new set prize amount. For example, if the match 5 set prize amount of two hundred thousand dollars becomes twenty-five thousand fifty dollars under the product group's rules, a power play player winning that prize amount when a "5" has been drawn would win one hundred twenty-five thousand two hundred fifty dollars (\$25,050 x 5).

6. The following table reflects the probability of the power play numbers being drawn:

| Power Play | Probability of Prize Increase |
|------------------------|-------------------------------|
| 5X - Prize won times 5 | 1 in 4 |
| 4X - Prize won times 4 | 1 in 4 |
| 3X - Prize won times 3 | 1 in 4 |
| 2X - Prize won times 2 | 1 in 4 |

Power play does not apply to the grand prize or a match 5 bonus prize.

7. The lottery shall pay a power play prize in one lump sum.

History: Effective February 1, 2004; amended effective November 8, 2005.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13